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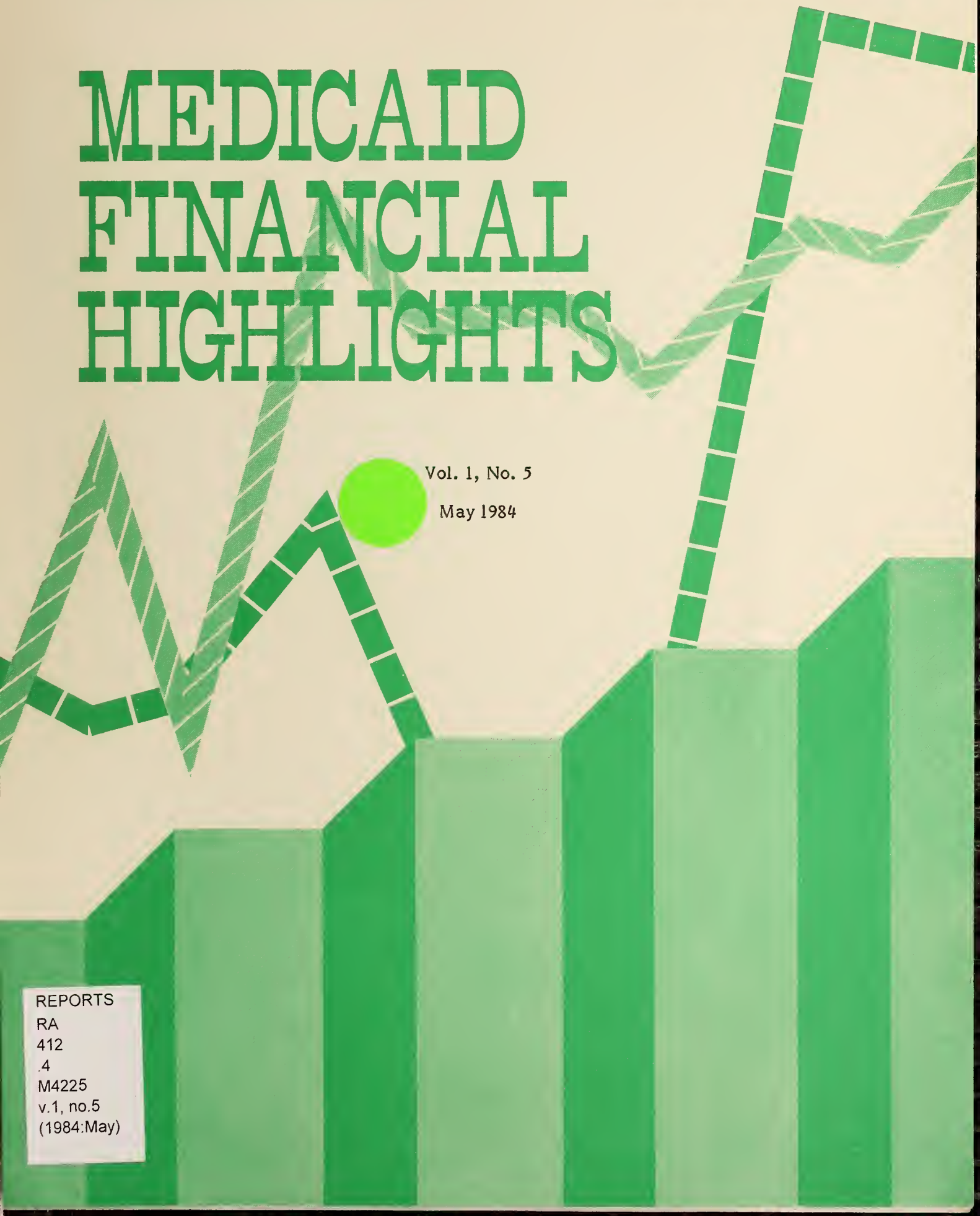

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The Medicaid Financial Highlights report reviews current issues and trends in Medicaid financial operations. The Budget Branch of the Division of State Agency Financial Management prepared this highlight. For more information on this report call Dave McNally on extension 71398 or Bob Thompson on extension 46229.

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MEDICAID ADMINISTRATION AND TRAINING EXPENDITURES
FISCAL YEARS 1980-1984

This report provides a brief overview of administration and training (A&T) expenditures for the Medicaid program for fiscal years 1980-1984. During this period, the Federal share of A&T costs has held steady at approximately 5 percent of the national Medicaid budget (combined benefit payments and A&T costs). The following perspectives on A&T expenditures are presented:

Table 1.A. provides a ranking of the States by 5-year total A&T costs as a percentage of 5-year total Medicaid expenditures. Over this period, the national average has been 4.9 percent, with individual States ranging from a high of 11.0 percent in Oregon to a low of 2.7 percent in Mississippi.

Table 1.B. provides a ranking of the States by total dollar expenditures for A&T during FY 1983. The top 10 States in A&T expenditure amounts accounted for 63.2 percent of the national total, with New York and California alone accounting for 36.9 percent of the total. (The top 10 States accounted for 59.9 percent of all Medicaid benefit payments in FY 1983, with New York and California reporting 28.5 percent of the total.)

Tables 2.A., 2.B., and 2.C. display the dollar amount, percent change, and percent distribution, respectively, of A&T expenditures by type of activity for FYs 1980-1984. Costs associated with Medicaid Management Information Systems (MMIS) have undergone the greatest change since FY 1980. Operational MMIS expenditures (with a 75 percent Federal matching rate) have increased by $161.2 million, 108.3 percent, over the last 5 years. During the same period, developmental MMIS costs (with a 90 percent Federal matching rate) have declined by $27.3 million, or 71.9 percent. In FY 1984, total MMIS-related expenditures are expected to account for 30.8 percent of all A&T costs.

Table 3.A. provides a ranking of the States by MMIS costs as a percentage of total A&T expenditures for FY 1983. On a national average, MMIS costs represented 30.4 percent of total A&T expenditures. Three States (Georgia, Tennessee, and Alabama) attributed over 60 percent of their total A&T expenditures to MMIS-related activities.

Table 3.B. provides a ranking of the States by Skilled Professional Medical Personnel (SPMP) costs as a percentage of total A&T expenditures for FY 1983. West Virginia reported the highest portion of A&T expenditures, 44.9 percent, as SPMP costs; at the low end were Arizona and Indiana which did not report any expenditures at the 75 percent SPMP matching rate. The national average for SPMP costs in FY 1983 was 17.9 percent.

The data for FYs 1980-1983 represent actual expenditures reported by the States on quarterly expenditure reports (Forms HCFA-64), while the data for FY 1984 represent budget estimates submitted by the States on Form HCFA-25 in February 1984.

TABLE 1

A. ADMINISTRATION & TRAINING AS A PERCENTAGE OF TOTAL MEDICAID EXPENDITURES: FISCAL YEARS 1980-1984

	5-YR A&T AS PCT OF 5-YR TOTAL	RANK
	**********	*******
OREGON	11.0	1
OKLAHOMA	7.5	2
CALIFORNIA	7.4	3
UTAH	7.3	4
NEVADA	7.0	5
TEXAS	7.0	5
VERMONT	6.5	7
DISTRICT OF COLUMBIA	6.4	8
WASHINGTON	6.4	8
NORTH DAKOTA	6.3	10
NEW JERSEY	6.2	11
NEW YORK	6.0	12
IDAHO	5.9	13
WEST VIRGINIA	5.8	14
COLORADO	5.6	15
NEBRASKA	5.6	15
NEW HAMPSHIRE	5.4	17
NEW MEXICO	5.4	17
FLORIDA	5.2	19
HAWAII	5.2	19
MONTANA	5.2	19
ARIZONA	5.1	22
MARYLAND	4.9	23
NATIONAL AVERAGE ***	4.9	***
ALASKA	4.8	24
DELAWARE	4.8	24
PENNSYLVANIA	4.8	24
CONNECTICUT	4.7	27
NORTH CAROLINA	4.7	27
MICHIGAN	4.6	29
WYOMING	4.6	29
ILLINOIS	4.3	31
KENTUCKY	4.3	31
KANSAS	4.2	33
VIRGINIA	4.2	33
GEORGIA	4.0	35
WISCONSIN	3.9	36
INDIANA	3.8	37
IOWA	3.7	38
MINNESOTA	3.7	38
MAINE	3.6	40
SOUTH CAROLINA	3.5	41
LOUISIANA	3.3	42
OHIO	3.3	42
SOUTH DAKOTA	3.3	42
MASSACHUSETTS BLIND	3.2	45
ALABAMA	3.1	46
MASSACHUSETTS DPW	2.9	47
MISSOURI	2.9	47
RHODE ISLAND	2.9	47
TENNESSEE	2.9	47
ARKANSAS	2.8	51
MISSISSIPPI	2.7	52

B. TOTAL ADMINISTRATION & TRAINING EXPENDITURES FISCAL YEAR 1983

	DOLLARS (IN 000S)	RANK
	*********	*******
NEW YORK	189,826	1
CALIFORNIA	160,237	2
PENNSYLVANIA	52,202	3
NEW JERSEY	36,315	4
TEXAS	34,529	5
ILLINOIS	31,497	6
OHIO	25,604	7
MASSACHUSETTS DPW	25,057	8
FLORIDA	22,969	9
MICHIGAN	20,934	10
WISCONSIN	19,646	11
OKLAHOMA	19,442	12
NORTH CAROLINA	19,245	13
MINNESOTA	18,242	14
GEORGIA	17,325	15
OREGON	16,860	16
MARYLAND	15,130	17
LOUISIANA	14,795	18
WASHINGTON	14,374	19
KENTUCKY	13,845	20
VIRGINIA	13,050	21
INDIANA	12,719	22
CONNECTICUT	12,059	23
COLORADO	9,276	24
ALABAMA	8,808	25
TENNESSEE	8,788	26
DISTRICT OF COLUMBIA	8,272	27
MISSOURI	7,906	28
SOUTH CAROLINA	7,856	29
UTAH	7,077	30
ARKANSAS	6,922	31
IOWA	6,454	32
WEST VIRGINIA	5,976	33
KANSAS	5,695	34
MAINE	5,564	35
MISSISSIPPI	5,317	36
NEBRASKA	5,046	37
NEW MEXICO	4,537	38
HAWAII	4,287	39
VERMONT	4,087	40
RHODE ISLAND	3,632	41
MONTANA	3,614	42
NORTH DAKOTA	3,302	43
NEW HAMPSHIRE	3,249	44
IDAHO	2,962	45
NEVADA	2,793	46
ARIZONA	2,128	47
SOUTH DAKOTA	1,796	48
DELAWARE	1,486	49
ALASKA	1,349	50
WYOMING	506	51
MASSACHUSETTS BLIND	258	52

TABLE 2

ADMINISTRATION AND TRAINING EXPENDITURES BY TYPE OF ACTIVITY: FISCAL YEARS 1980-1984

A. DOLLARS (IN 000S)	FY 1980	FY 1981	FY 1982	FY 1983	FY 1984 *	FY 1980-1984 TOTAL GROWTH
FAMILY PLANNING	978	1,460	606	1,781	2,999	2,021
SKILLED PROFESSIONAL MEDICAL PERSONNEL	117,710	137,788	153,118	148,430	144,525	26,815
MEDICAID MGMNT INFO SYSTEMS (MMIS)						
90% (DEVELOPMENT)	38,010	44,773	27,632	20,534	10,665	-27,345
75% (OPERATION)	148,880	162,315	228,909	281,687	310,091	161,211
NON-MMIS CLAIMS PROCESSING SYSTEMS	36,857	33,904	35,878	21,764	12,293	-24,564
OTHER FINANCIAL PARTICIPATION	353,721	402,951	424,960	454,842	560,893	207,172
TOTAL ADMINISTRATION AND TRAINING	696,156	783,191	871,103	929,038	1,041,466	345,310

B. PERCENT CHANGE	FY 80-81	FY 81-82	FY 82-83	FY 83-84 *	FY 1980-1984 PERCENT CHANGE
FAMILY PLANNING	49.3	-58.5	193.9	68.4	206.6
SKILLED PROFESSIONAL MEDICAL PERSONNEL	17.1	11.1	-3.1	-2.6	22.8
MEDICAID MGMNT INFO SYSTEMS (MMIS)					
90% (DEVELOPMENT)	17.8	-38.3	-25.7	-48.1	-71.9
75% (OPERATION)	9.0	41.0	23.1	10.1	108.3
NON-MMIS CLAIMS PROCESSING SYSTEMS	-8.0	5.8	-39.3	-43.5	-66.6
OTHER FINANCIAL PARTICIPATION	13.9	5.5	7.0	23.3	58.6
TOTAL ADMINISTRATION AND TRAINING	12.5	11.2	6.7	12.1	49.6

C. PERCENT DISTRIBUTION	FY 1980	FY 1981	FY 1982	FY 1983	FY 1984 *
FAMILY PLANNING	0.1	0.2	0.1	0.2	0.3
SKILLED PROFESSIONAL MEDICAL PERSONNEL	16.9	17.6	17.6	16.0	13.9
MEDICAID MGMNT INFO SYSTEMS (MMIS)					
90% (DEVELOPMENT)	5.5	5.7	3.2	2.2	1.0
75% (OPERATION)	21.4	20.7	26.3	30.3	29.8
NON-MMIS CLAIMS PROCESSING SYSTEMS	5.3	4.3	4.1	2.3	1.2
OTHER FINANCIAL PARTICIPATION	50.8	51.5	48.7	49.0	53.8
TOTAL ADMINISTRATION AND TRAINING	100.0	100.0	100.0	100.0	100.0

* FY 1984 DATA BASED ON STATE ESTIMATES SUBMITTED 2/15/84

TABLE 3

A. MEDICAID MANAGEMENT INFORMATION SYSTEM (MMIS) COSTS AS A PERCENTAGE OF TOTAL ADMINISTRATION & TRAINING FISCAL YEAR 1983

	MMIS AS PCT OF TOTAL A&T	RANK
	**********	*******
GEORGIA	68.2	1
TENNESSEE	63.3	2
ALABAMA	63.1	3
WISCONSIN	55.1	4
NEW MEXICO	53.0	5
NEW JERSEY	48.5	6
UTAH	47.6	7
IDAHO	44.6	8
WASHINGTON	44.2	9
HAWAII	44.1	10
MISSISSIPPI	43.7	11
INDIANA	43.1	12
MICHIGAN	42.4	13
KENTUCKY	41.2	14
COLORADO	40.9	15
NEBRASKA	38.8	16
PENNSYLVANIA	37.9	17
ILLINOIS	36.9	18
SOUTH DAKOTA	36.1	19
LOUISIANA	34.9	20
SOUTH CAROLINA	34.9	20
NORTH CAROLINA	34.7	22
MAINE	34.3	23
VIRGINIA	34.3	23
NEW HAMPSHIRE	33.7	25
IOWA	33.2	26
FLORIDA	31.2	27
NEW YORK	31.2	27
VERMONT	31.2	27
NATIONAL AVERAGE ***	30.4	***
MISSOURI	30.1	30
CALIFORNIA	29.7	31
ARKANSAS	27.8	32
MASSACHUSETTS DPW	27.1	33
KANSAS	25.9	34
TEXAS	25.5	35
WEST VIRGINIA	23.9	36
NORTH DAKOTA	23.5	37
OKLAHOMA	21.8	38
CONNECTICUT	20.8	39
OHIO	20.8	39
MINNESOTA	20.1	41
MONTANA	19.6	42
DISTRICT OF COLUMBIA	14.3	43
OREGON	13.5	44
MARYLAND	8.7	45
ALASKA	0	46
ARIZONA	0	46
DELAWARE	0	46
MASSACHUSETTS BLIND	0	46
NEVADA	0	46
RHODE ISLAND	0	46
WYOMING	0	46

B. SKILLED PROFESSIONAL MEDICAL PERSONNEL (SPMP) COSTS AS A PERCENTAGE OF TOTAL ADMINISTRATION & TRAINING FISCAL YEAR 1983

	SPMP AS PCT OF TOTAL A&T	RANK
	**********	*******
WEST VIRGINIA	44.9	1
COLORADO	39.7	2
TEXAS	39.0	3
FLORIDA	36.9	4
NEW JERSEY	32.6	5
DELAWARE	31.9	6
VERMONT	31.2	7
IDAHO	31.0	8
SOUTH DAKOTA	30.2	9
ALASKA	27.3	10
OREGON	26.4	11
NEVADA	25.2	12
NORTH DAKOTA	23.9	13
RHODE ISLAND	23.0	14
MARYLAND	22.5	15
WYOMING	22.0	16
IOWA	21.5	17
HAWAII	20.6	18
KENTUCKY	20.3	19
NEW HAMPSHIRE	19.8	20
MAINE	19.3	21
MONTANA	19.1	22
MISSISSIPPI	18.8	23
KANSAS	17.9	24
NATIONAL AVERAGE ***	17.9	***
WASHINGTON	17.8	25
SOUTH CAROLINA	16.9	26
OKLAHOMA	16.7	27
CALIFORNIA	16.6	28
ALABAMA	16.4	29
ARKANSAS	15.2	30
DISTRICT OF COLUMBIA	15.2	30
UTAH	15.1	32
LOUISIANA	14.0	33
MISSOURI	13.0	34
MINNESOTA	12.9	35
CONNECTICUT	12.4	36
MICHIGAN	12.3	37
VIRGINIA	11.8	38
NEBRASKA	11.3	39
NEW MEXICO	11.3	39
NEW YORK	10.1	41
PENNSYLVANIA	9.5	42
MASSACHUSETTS DPW	8.1	43
OHIO	7.4	44
GEORGIA	6.2	45
TENNESSEE	6.0	46
WISCONSIN	3.2	47
ILLINOIS	2.6	48
NORTH CAROLINA	2.1	49
MASSACHUSETTS BLIND	0.5	50
ARIZONA	0	51
INDIANA	0	51

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